

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

PAID-UP OIL & GAS LEASE (No Surface Use)

PNum:2922.AL

TEXA

THIS LEASE AGREEMENT IS made this 19th day of November, 2010, by and between 9 Band, LLC, a Texas Limited Liability Complany, N. Box 2869, Jackson, WY 33001, as Lessor, and Chesapeake Exploration, L.L.C., an Oktahoma limited liability company, N.O. Box 18495, Okia 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the blank spaces) were prepared jointly by Lessor and Lessee. noma City, OK

In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets described land, hereinafter called leased premises:

See Exhibit 'A' and Addendum attached hereto and made a part hereof

0.1871 acres, more or less, out of the Sol Davis Survey, A-425, Tarrant County, Texas and being Lot 2, Block 2, Moore and Ransom, a subdivision to the City, Arlington, Tarrant County, Texas, according to the plat recorded at Volume 388-K, Page 399 of the Plat Records of Tarrant County, Texas and being more pardescribed in that certain WARRANTY DEED dated May 15, 2006 from D. Devid Beggett and Heather Beggett, husband and wife to 9 Ban a Texas Limited Liability Company as recorded at Document No. D206167482, Official Public Records, Terrant County, Texas

in the County of <u>Terrant</u>, State of TEXAS, containing <u>0.1871</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term 'gas' as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or percels of land now or hereafter owned by Lessor which are configuous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bornus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acree above specified shall be deemed correct, whether actually more or less.

- This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for ter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is of maintained in effect pursuant to the provisions hereof.

 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid
- hydrocarbons separated at Lessee's separator facilities, the royalty shall be <u>Twenty Five-Percent</u> (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity, (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be <u>Twenty Five-Percent</u> (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the confuning right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the lessed premises or lands pooled therewith are capable of either producting oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells are shut-in or production is net being sold by Lessee, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee, provided that if this lease, is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period while the well or wells are shut-in or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.
- 4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at Lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped entreaded to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fall or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.
- ed for in Paragraph 3 above, if Lessee drills a well which is incapable of producing in paying quantities (he 5. Except as provided for in Paragraph 3 above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the lessed premises or lands pooled therewith, or if all production (whether or not in paying unitities) premanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise obtaining or restoring production on the leased remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably. calculated to obtain or restore production therefron, this lease shell remain in force our Lessee is then engaged in draining, reworking or any other operations reasonably calculated to obtain or restore production therefron, this lease shell remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided therein.
- oralingle by any well or west located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional west except as expressly provided herein.

 6. Lessee shall have the right but not the obligation to pool all or any part of the lessed premises or Interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lessee, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the lessed premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or notizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate povernmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lesse separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In the term "horizontal completion" which he horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In the term "horizontal completion" which the
- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate
- in such part of the leased premises.

 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 80 days after Lessee has been furnished the original or certified or duly authenticated copies of the obcuments establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties or the credit of the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in valies to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter attsing with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee white respect to the transferred interest shall not affect the rights of Lessee thurst only in proportion of the area covered by this lesse, the obligation to pay or tender shut-in or any portion of the area covered by this lesse, the obligation to pay or tender shut-in erest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in ies heraunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

Page 2 of 4

- 9. Lessee may, at any time anothern time to time, deliver to Lessor or file of record a written release of this lease to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder. to a full or undivided interest in all or any
- portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations treerelter arising with respect to the interest teal or an undivided interest in least be meal of the area covered hereby. Lessee's obligation to pay or tender shul-in royallies shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and markeling oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophylacial operations, the drilling of wells, and the construction and use of roads, canaks, picelines, attacks, wells revealed, disposal wells, rijection wells, pits, electric and telephone lines, power stallons, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or breats and substances produced on the leased premises, accept water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph's 1 show, not/withstanting any partial releases or other parable issues, and (b) to any other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or outh other lands, and to commercial timber and growing crops thereon. The lease of the parable on the parable on the control of the lease of the parable of the parable on the parable on the control of the lease of the parable of the parable of the parable of

- has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. Lessor, and their successors and assigns, hereby grants Lassee an option to extend the primary term of this lease for an additional period of TWO (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this
 - 16. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesse is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

ACKNOWLEDGEMENT

STATE OF TEXAS

CORPORATE ACKNOWLEDGMENT

COUNTY OF Da/195

This instrument was acknowledged before me on the Band, LLC., on behalf of said corporation.

20/6, by David Baggett, Manager of 9

THOMAS G. SONNIER MY COMMISSION EXPIRES June 30, 2014

otary Public, State of Texas

Notary's name (printed): Thomas 6 Sonnier

Notary's commission expires: 06/30/2014

2922 OALS

RETURN TO: Axia Land Services, LLC 500 E. Border Street. Suite 640 Arlington, Texas 76010

Page 3 of 4

ADDENDUM

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated the 19th day of November 2010, by and between, Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, as Lessee., and 9 Band, LLC, a Texas Limited Liability Company, as Lessor.

ROYALTY: Market Enhancement Royalty Clause. It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements.

SIGNED FOR IDENTIFICATION ONLY:

9 Bape, LLC, a Texas Limited Liability Company

David Baggett, Manager

RETURN TO: Axia Land Services, LLC 500 E. Border Street, Suite 640 Arlington, Texas 76010

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

AXIA LAND SERVICES 500 E BORDER STREET 640 ARLINGTON, TX 76010

Submitter: AXIA LAND SERVICES, LLC

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

12/10/2010 12:34

PM

Instrument #:

D210305520

LSE

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PGS

\$24.00

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D210305520

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD